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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the **ADMASTON/BROMLEY PUBLIC LIBRARY** (the Library) is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Library's financial position as at December 31, 2025 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

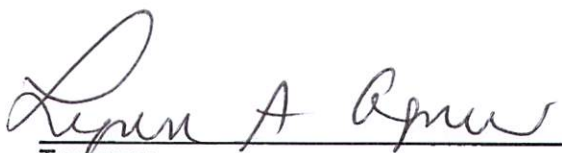
The Board Members carry out their responsibilities for review of the financial statements principally through regular meetings. The Board Members meet regularly with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Board Members with and without the presence of management. The Board Members have approved the financial statements.

The financial statements have been audited by Welch LLP, Chartered Professional Accountants, independent external auditors appointed by the Library. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Library's financial statements.



Chief Executive Officer
June 9, 2026
Renfrew, Canada



Treasurer
June 9, 2026
Renfrew, Canada

INDEPENDENT AUDITOR'S REPORT

To the Directors of the

ADMASTON/BROMLEY PUBLIC LIBRARY*Qualified Opinion*

We have audited the financial statements of the **ADMASTON/BROMLEY PUBLIC LIBRARY** (the Library), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2025 and the results of its operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Library derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Library. Our audit opinion on the financial statements for the year ended December 31, 2024 was qualified because of the possible effects of this limitation in scope. Therefore we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2025 is modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Library's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Welch LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Pembroke, Ontario
June 9, 2026

Welch LLP

An Independent Member of BKR International

ADMASTON/BROMLEY PUBLIC LIBRARY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ <u>4,790</u>	\$ <u>4,433</u>
LIABILITIES		
Accounts payable and accrued liabilities	438	404
Due to Township	<u>686</u>	<u>1,913</u>
	<u>1,124</u>	<u>2,317</u>
NET FINANCIAL ASSETS	<u>- 3,666</u>	<u>2,116</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	<u>541</u>	<u>392</u>
ACCUMULATED SURPLUS	\$ <u>4,207</u>	\$ <u>2,508</u>

(See accompanying notes)

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ADMASTON/BROMLEY PUBLIC LIBRARY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget <u>2025</u>	Actual <u>2025</u>	Actual <u>2024</u>
REVENUE			
Municipal grants	\$ 31,472	\$ 31,472	\$ 29,865
Provincial grants	5,518	8,637	6,897
Donations and fundraising	2,496	6,792	13,715
Fines	400	638	430
Interest	300	439	784
Other grants	<u>3,741</u>	<u>3,741</u>	<u>-</u>
	<u>43,927</u>	<u>51,719</u>	<u>51,691</u>
EXPENSES			
Salaries, wages and employee benefits	32,458	33,797	27,917
Books and DVDs	6,500	5,208	5,690
Operating system maintenance	4,300	2,984	4,204
Repairs and maintenance	400	-	-
Office and miscellaneous	156	1,389	4,120
Special programs	-	3,405	5,469
Telephone and internet	-	2,685	2,821
Travel and professional development	<u>-</u>	<u>552</u>	<u>-</u>
	<u>43,814</u>	<u>50,020</u>	<u>50,221</u>
EXCESS OF REVENUE OVER EXPENSES	113	1,699	1,470
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>2,508</u>	<u>2,508</u>	<u>1,038</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>\$ 2,621</u>	<u>\$ 4,207</u>	<u>\$ 2,508</u>

(See accompanying notes)

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ADMASTON/BROMLEY PUBLIC LIBRARY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget <u>2025</u>	Actual <u>2025</u>	Actual <u>2024</u>
EXCESS OF REVENUE OVER EXPENSES	\$ 113	\$ 1,699	\$ 1,470
Change in level of prepaid expenses	<u>-</u>	<u>(149)</u>	<u>254</u>
INCREASE IN NET FINANCIAL ASSETS	113	1,550	1,724
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>2,116</u>	<u>2,116</u>	<u>392</u>
NET FINANCIAL ASSETS AT END OF YEAR	<u>\$ 2,229</u>	<u>\$ 3,666</u>	<u>\$ 2,116</u>

(See accompanying notes)

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ADMASTON/BROMLEY PUBLIC LIBRARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 1,699	\$ 1,470
Non-cash items included in excess of revenue over expenses:		
Accounts payable and accrued liabilities	34	(4,792)
Due to Township	(1,227)	900
Prepaid expenses	<u>(149)</u>	<u>254</u>
	<u>357</u>	<u>(2,168)</u>
INCREASE (DECREASE) IN CASH	357	(2,168)
CASH AT BEGINNING OF YEAR	<u>4,433</u>	<u>6,601</u>
CASH AT END OF YEAR	<u>\$ 4,790</u>	<u>\$ 4,433</u>

(See accompanying notes)

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ADMASTON/BROMLEY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

The Admaston/Bromley Public Library is a Board of the Township of Admaston/Bromley organized to interact with the community and to provide services and programs that focus on the recreational, educational and cultural needs of the community.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Revenue recognition

Donations and fundraising revenue and other grants are recognized when the related expenses are incurred, services performed or the tangible capital assets are acquired. Fines are recognized when received. Interest revenue is recognized as it is earned.

ADMASTON/BROMLEY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions, are based on management's best information and judgment. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

NOTE 2 RELATED PARTY TRANSACTIONS

Township of Admaston/Bromley

The Library is a Board of the Township of Admaston/Bromley. During the year the Township transferred \$30,820 (2024 - \$29,213) to the Library for operating purposes.

NOTE 3 FINANCIAL INSTRUMENTS

The Library's financial instruments consist of cash, accounts payable and accrued liabilities, and due to Township.

Risk

There have been no changes in risk from the prior year and as a result, it is management's opinion that the Library is not exposed to significant interest, liquidity, currency, market or credit risks arising from its financial instruments.

Fair market value

The fair value of the Library's financial instruments approximates their carrying value due to their short term nature.

NOTE 4 BUDGET FIGURES

Budget figures reported on the Statement of Operations and the Statement of Change in Net Financial Assets are based on the 2025 operating budget as approved by the Board on December 10, 2024.